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DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B-22-2019]

Foreign-Trade Zone (FTZ) 136 – Brevard County, Florida; Notification of Proposed Production Activity; Airbus OneWeb Satellites, LLC (Satellites and Satellite Systems); Merritt Island, Florida

The Canaveral Port Authority, grantee of FTZ 136, submitted a notification of proposed production activity to the FTZ Board on behalf of Airbus OneWeb Satellites, LLC (Airbus OneWeb) located in Merritt Island, Florida. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on April 2, 2019.

The Airbus OneWeb facility is located within Site 7 of FTZ 136. The facility is used for the production of satellites for commercial, private, and military applications. Pursuant to 15 CFR 400.14(b), FTZ activity would be limited to the specific foreign-status materials and components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Airbus OneWeb from customs duty payments on the foreign-status components used in export production. On its domestic sales, for the foreign-status materials/components noted below, Airbus OneWeb would be able to choose the duty rates during customs entry procedures that apply to satellites for internet/communications (duty-free). Airbus OneWeb would be

able to avoid duty on foreign-status components which become scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The components and materials sourced from abroad include: mapsil silicone adhesives; black adhesive tapes; transfer tapes; foil tapes; kapton labels and tapes; thermal washers; plastic wire tie wraps; harpoon style zip tie wiring harnesses; continuous length rolls of hooked (male) and looped (female) velcro style adhesive strip tapes; gaskets; stainless steel piping systems; xenon gas tanks; stainless steel socket screws of various lengths not exceeding 6mm in diameter; metal washers; solar array unit bushings; xenon storage tanks; individual aluminum brackets and shims (angled slugs) of varying angles and sizes; hall effect thrusters; on board computers; propulsion xenon flow systems; power processing units; lithium batteries; kapton (polyimide) insulated flexible heaters of varying sizes; wire and cable splitters; flexible channelizers; GPS antennas; GPS antenna assemblies consisting of base plates, partitions and GWA feeds and latches all for sole use with Ku and Ka band antennas; Ku band antennas; crimp style wire connectors; grounding straps; coaxial wire connectors; power conditioning and distribution units; signal amplifiers; Ka signal boosters; coaxial cables with connectors on both ends with flexible cable coverings in lengths varying from 96mm to 1065mm; wiring harnesses; dual reaction wheels, payload interface units, structure panels, crossing heat pipes, and avionics/propulsion/payload modules for communications satellites; and, sun sensors and star trackers (duty rate ranges from duty-free to 7%). The request indicates that lithium batteries will be admitted to the zone in privileged foreign status (19 CFR 146.41), thereby precluding inverted tariff benefits

on such items. The request also indicates that certain materials/components are subject to special duties under Section 232 of the Trade Expansion Act of 1962 (Section 232), depending on the country of origin. The applicable Section 232 decisions require subject merchandise to be admitted to FTZs in privileged foreign status.

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary at the address below. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 21013, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the "Reading Room" section of the Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Christopher Wedderburn at Chris.Wedderburn@trade.gov or (202) 482-1963.

Dated: April 4, 2019.

Andrew McGilvray,

Executive Secretary.

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